

Oversight or Out of Sight? The Role of the Wisconsin Attorney General in Charity Regulation

by Barbara Duffy

Barbara Duffy, a graduate student in philanthropic studies at Indiana University-Purdue University Indianapolis, is also research program manager at the Helen Bader Institute for Nonprofit Management at the University of Wisconsin-Milwaukee.

* * * * *

In theory, state attorneys general are important actors, along with the IRS, in a multilevel system of charity oversight in the United States. In actual practice, their role varies greatly from state to state and often falls short of an ideal. In Wisconsin, the attorney general is barely visible in the arena of charity regulation and oversight.

In this paper, I will explore more closely this apparent absence, in an effort to understand whether and how laws are enforced and to what extent the public interest in charitable assets is represented in Wisconsin.

Charity regulation and oversight in the U.S. are exercised by a number of different players. Chief among the regulators is the IRS, whose focus is on compliance with federal tax laws. State entities sharing jurisdiction over charities and their fiduciaries include courts, legislatures, and administrative divisions of state government, including the attorney general. The attorney general, whose authority is derived from trust law, is empowered to oversee charitable fiduciaries and to ensure proper application of charitable funds and trusts. By common law the attorney general has standing to sue to ensure the proper use of charitable assets. Most state attorneys general also regulate charitable solicitation to some degree, as a form of consumer protection.

In recent years, activist attorneys general in a few states have fueled concerns that charity enforcement at the state level is motivated by political ambition, raising questions about whose public state attorneys general serve.¹ The Michigan attorney general's failed attempt to compel the New York-based Ford Foundation to increase grantmaking in Michigan, and the Pennsylvania attorney general's successful efforts to require charities to consider community impact when selling off assets highlight tensions between their loyalties to state coffers and a voting public, and the more narrow, but still public, interests of charities, their donors, and their beneficiaries. In reality, however, the sector is more likely threatened by weak attorney general oversight than by activist and overreaching oversight.

¹Brody, 2004.

In 1997 Peter Swords and Harriet Bograd identified 13 states with charity divisions within the attorney general's office. Most employed more than two full-time attorneys, had integrated various registration and reporting functions into their divisions, and engaged in some education and prevention activities.² In the rest of the states, these functions were carried out by separate agencies, if at all, and staffing was limited. Wisconsin is among the latter states.

The Wisconsin Attorney General and Charities' Oversight

Charitable organizations in Wisconsin file for incorporation with the Department of Financial Institutions, register and annually renew their registration to solicit contributions with the Department of Regulation and Licensing, and submit annual reports to the Wisconsin secretary of state. The attorney general's office, however, is off their radar screens.

The home page, site map, organizational chart, and contact page of the Wisconsin Department of Justice Web site provide no direct references to nonprofits, charities, or charitable trusts. Since 1996 the attorney general has issued only one opinion that relates to a charitable entity,³ and only three news releases dating back to 2005-2006 pertain to nonprofits.⁴ In recent years, the attorney general has played no visible role in several high-profile scandals in Milwaukee involving misappropriation of charitable assets or fiduciary misconduct. Nor was the attorney general a party on behalf of the public in the conversion of Blue Cross Blue Shield of Wisconsin to the for-profit Cobalt in 2001. There are no full-time attorneys in the state attorney general's office with responsibility for charity oversight.⁵ Not surprisingly, there were no Wisconsin representatives on the list of attendees for the annual meeting of the National Association of State Charity Officials in Santa Fe, N.M., this past October.⁶

There are several plausible explanations for the lack of a visible attorney general presence. It is possible that the

²Swords and Bograd, 1997.

³Opinion concerns open records law and Milwaukee County pension matter.

⁴These concern charitable solicitation scams.

⁵Jenkins, G. (2007, p. 1129). I am aware of only two attorneys in the attorney general's office who have (part-time) responsibility for matters relating to trusts and fundraising regulation.

⁶Personal communication with Kirsten Gronbjerg, 11/29/08.

attorney general works behind the scenes, keeping erring charities and fiduciaries in line through the threat of litigation and unpublicized remedies. However, the paucity of staff (and attendant expertise) argues against that theory.

It is also possible that charities and their fiduciaries are well behaved in Wisconsin, but media reports, personal experience, and the experiences of others who work closely with charities belie that argument. It is likely that charity oversight is not a priority of the attorney general, especially given limited funding and little public demand for it, and that he does not choose to act, even when authorized to do so. Except in the event of charitable solicitation, this is obviously the case. It is equally likely that he is not visible in charity oversight because he has limited authority to intervene.

Authority of the Attorney General

In Wisconsin, the attorney general is the chief law enforcement officer and head of the Department of Justice. Article IV, section 3 of the state constitution defines the attorney general's role as follows:

The powers, duties and compensation of the treasurer and attorney general shall be prescribed by law.

Turning to the "prescriptions" of the law, chapter 165.015 of the state statutes positively delineates the attorney general's duties in general, abbreviated here:

Duties. The attorney general shall:

- (1) Give opinion to officers. [. . .]
- (2) Protect trust funds. [. . .]
- (3) Certify bonds. [. . .]
- (4) Keep a statement of fees. [. . .]
- (5) Report to the legislature. [. . .]
- (6) Perform other duties. Perform all other duties imposed upon the attorney general by law.

Annotations to the statute present an unusual constraint on the attorney general's powers:

The attorney general, absent a specific legislative grant of power, is devoid of the inherent power to initiate and prosecute litigation intended to protect or promote the interests of the state or its citizens and cannot act for the state as *parens patriae*. Estate of Sharp, 63 Wis. 2d 254, 217 N.W.2d 258 (1974).

A fundamental premise of the general literature on attorneys general and charitable oversight is that their authority, particularly as it relates to enforcement of charitable trusts, is derived from common law, and that in some states, this authority is further reinforced by statute. In Wisconsin, it would appear that the absence of empowerment in the statute is the last word and that common-law authority would not prevail.⁷

⁷S. Van Alstyne and L.J. Roberts (1974), p. 722:

"In 1908, the Wisconsin Supreme Court held that the powers of the state attorney general are 'strictly limited' by statute. Wisconsin thus became one of a minority of

(Footnote continued in next column.)

Wisconsin Statute 701.10 grants the attorney general authority to bring a proceeding to enforce a charitable trust, and it requires notice to him in a proceeding affecting a charitable trust.⁸ However, his authority relating to charitable corporations is minimally articulated. In the 36 pages of Chapter 181 (2005-2006), "Nonstock Corporations," the term "attorney general" appears only eight times in five sections:

1. Section 181.0160(1)(a): Judicial relief

This section says, "The court may order meeting or ballot [of a board] upon the petition of the attorney general."

2. Section 181.0304(3): Effect of unauthorized corporate acts [*ultra vires*]

The *ultra vires* doctrine derives from corporate law, where it is now obsolete. According to the *Revised Model Nonprofit Corporation Act (RMNCA)*, "[The focus of this section is] narrow. It only validates corporate actions that are attacked on the ground that the corporation had no power to act."⁹ (An example of business transacted without authority might be a prohibited loan to an officer or director.) In a matter involving unauthorized corporate acts, the attorney general may bring a proceeding to dissolve a corporation or to enjoin a corporation from performing an unauthorized act.

3. Section 181.1502 (4)(2)(b): Consequences [for foreign corporation] of transacting business without authority

This section authorizes the attorney general to enforce a foreign corporation's obligation to pay penalties for transacting business in the state without a certificate of authority.

4. Section 181.0320(4): Private foundations

This section does not specify any power for the attorney general, but clarifies that the section "does not impair the rights and powers of the [. . .] attorney general of this state with respect to any corporation."

5. Section 181.1430(1)(a)(1-2): Grounds for judicial dissolution

This section says, "(1) The circuit court may dissolve a corporation in a proceeding brought by any of the following: (a) The attorney general if any of the following is established: 1. That the corporation obtained its articles of incorporation through fraud. 2. That the corporation has continued to exceed or abuse the authority conferred upon it by law."

states in which the attorney general has no common-law powers. This development has had important consequences: from 1908, when the attorney general was held to be without power to bring a *quo warranto* action against a corporation, to 1974, when the attorney general was held to be without power to intervene in estate proceedings involving a public charitable trust, the attorney general has been seriously hampered in his efforts to serve as the people's lawyer." [Emphasis added.]

⁸Wis. Stat. section 701.10(3)(a)(1) and (3)(a)(4)(b).

⁹RMNCA, 1988, p. 214.

The above assertions of attorney general authority appear to assign to the attorney general a limited role in oversight of charitable corporations, one that does not mirror the authority he holds in relation to charitable trusts. What is most noticeable, however, is that Chapter 181 does not reflect the expanded role for the attorney general that was delineated in the Revised Model Nonprofit Corporation Act (RMNCA) of 1988.

Chapter 181 and the RMNCA

The original Wisconsin chapter on nonstock corporations was based on the Model Nonprofit Corporation Act (MNCA) adopted by the American Bar Association in 1952, with revisions in 1957 and 1964. The MNCA in turn was modeled closely on the Model Business Corporation Act.

The RMNCA was a comprehensive revision of the MNCA, "amended to reflect the numerous changes that had occurred in state statutory and case law since its adoption."¹⁰ A year after the RMNCA was adopted by the American Bar Association, the Nonprofit Organizations Committee of the Business Law Section of the Wisconsin state bar began work on a major revision of Chapter 181 to reflect new developments in the RMNCA and to bring it in line with changes in Chapter 180, Wisconsin's business corporation act. The revision was completed and adopted by the Legislature eight years later, in 1997.

Concerning the role of the attorney general, the introduction to the RMNCA states that because of the non-distribution constraint, there are no economic incentives for private oversight of nonprofit organizations: "The Revised Act seeks to fill this void by statutorily clarifying existing common law and statutory authority of the attorney general." It continues:

The attorney general has authority to bring, must receive notice of, and may join in, derivative actions on behalf of public benefit corporations. The attorney general may approve conflict of interest transactions and must be made a party to proceedings in which a court is asked to approve conflict of interest transactions. The attorney general may sue former or incumbent directors and officers for *ultra vires* acts, and may bring an action for breach of duty of care or loyalty. The attorney general may commence proceedings to hold an annual, regular or special meeting of members.

The attorney general must be given notice of important corporate actions. Notices must be given in regard to: (1) indemnifying directors; (2) merging; (3) selling all or substantially all corporate assets; (4) delivering articles of dissolution to the secretary of state; and (5) transferring or conveying assets as part of the dissolution process. The attorney general must also be given notice after the assets have been transferred or conveyed following approval of dissolution.¹¹

¹⁰RMNCA, 1988, p. xix.

¹¹*Id.*, p. xxvii.

Only two of the RMNCA provisions granting authority to the attorney general (*ultra vires* and commencement of proceedings to hold a meeting) found their way into Wisconsin's revised statute. A third provision, authorizing the attorney general to request judicial dissolution of a charitable corporation, was adopted, but it restricted his involvement to two situations: if the corporation obtained its articles of incorporation through fraud or if the corporation acted outside the law. Two more expansive conditions specified in the RMNCA were not included in the Wisconsin statute (see Appendix A).¹²

Attorney Thomas L. Frenn, who chaired the Wisconsin revision committee, explained that early in the revision process, the committee contacted then-attorney general Donald J. Hanaway (1987-1991) to ask whether he would be interested in assuming this expanded role of charity oversight and enforcement. Hanaway did not issue a formal opinion, but declined. According to Frenn, the committee decided to let the statute remain silent on a role for the attorney general.

The newly revised Chapter 181 in 1997 completely replaced the old one, closely following the format, table of contents, wording, and reference numbers of the RMNCA. Several sections in the RMNCA granting authority to the attorney general were not included. (See Appendix A for a comparison of pertinent sections of the two documents.)

Two in particular are notable for their absence. Subchapter G, section 1.70 of the RMNCA specifically authorizes the attorney general's intervention in matters for which he is required to receive notice. Section 11.02 places limitations on mergers and requires notification of the attorney general. Neither the expanded authority of the attorney general nor the restrictions on mergers were included in the revised Chapter 181.

Frenn said that with Hanaway's lack of interest in taking on new responsibilities, the committee reasoned that it made little sense to include a new role in the revised statutes. He also pointed out that the lack of statutory authority would not preclude common-law authority. However, if the attorney general does not have common-law powers, the failure to empower the attorney general by statute in key areas of charitable oversight has significant implications. One of the most important questions it raises is whether the attorney general has standing to sue in situations involving charitable corporations not organized as charitable trusts. As the law is written, only members and directors may bring derivative proceedings.

Challenges and Opportunities Ahead

In light of the recently adopted third revision of the MNCA, Frenn indicated that he will again be convening a committee of the Wisconsin state bar to revise Chapter 181. Frenn acknowledges a need to more clearly specify

¹²The section on judicial dissolution in the Wisconsin Chapter 181 more closely resembles the Model Business Corporation Act than it does the Revised Model Nonprofit Corporation Act, which may account for the other differences highlighted in this paper.

and broaden the authority of the attorney general in oversight of charitable corporations, but he and others have also expressed concern that reasonable limits on his authority need to be established as well.

There have been many changes in the nonprofit sector and in charity laws since the last major revision, in 1997. In particular, demands by the public for greater accountability and transparency in the nonprofit sector have increased, the healthcare sector has become more complex, and nonprofit hybrid corporate forms are emerging. At the same time, the new IRS Form 990, "Return of Organization Exempt From Income Tax," and electronic filing present opportunities for states to take advantage of efficiencies in gathering information from charities and identifying areas of concern. However, the lack of involvement by the attorney general in the past, and the lack of staffing and expertise relating to charitable oversight will make it difficult for the attorney general's office to keep up with these new developments, much less stay ahead of them. There appears to be a growing hole in charitable oversight that Wisconsin is not addressing. Without some remedy, public trust in charities is at risk.

Author's Note:

On April 14, 2009, as this article was going to press, the Wisconsin attorney general filed a motion with the Vilas County Circuit Court to intervene in a pending lawsuit, *Conserve Community LLC, et al. v. Conserve School Corporation, et al.*, Case No. 09-CV-54. The motion cites the attorney general's authority to supervise charitable trusts holding property for charitable purposes in the state (Wis. Stat. 701.10) and to seek judicial dissolution of a charitable corporation that "exceed[s] or abuse[s] the authority conferred upon it by law" (Wis. Stat. 181.1430(1)). The complaint alleges that the directors of the school have "competing and conflicting interests" that have prevented them from acting in the interests of the school. As part of the motion, the attorney general requested appointment of a legal custodian for the school.

The lawsuit involves a network of actors too complex to describe in this note. However, at a hearing held on April 22, 2009, according to eyewitness reports from the Vilas County courtroom, Judge Neil A. Nielsen, III, granted the attorney general's motion to intervene in the lawsuit concerning the Conserve School Corporation, but denied the motion to appoint a custodian, arguing that the attorney general's complaint did not assert that the corporation had acted illegally. Other matters were still pending as of this writing.

Sources Consulted

- American Bar Association. 1964. *Model Nonprofit Corporation Act*. Committee on Corporate Laws of the American Bar Association.
- American Bar Association. 1988. *Revised Model Nonprofit Corporation Act*. Committee on the Model Nonprofit Corporation Law of the Business Law Section, American Bar Association.
- American Bar Association. 2008. *Model Nonprofit Corporation Act Third Edition*. Committee on Nonprofit Organizations, Section of Business Law, American Bar Association.
- Brody, Evelyn. 2004. "Whose Public? — Parochialism and Paternalism in State Charity Law Enforcement." 79 *Indiana Law Journal* 937.
- Brody, Evelyn. 2006. "The Legal Framework of Nonprofit Organizations." In Powell, Walter W. and Richard Steinberg. 2006. *The Nonprofit Sector: A Research Handbook*. New Haven: Yale University Press.
- Fishman, James J. and Stephen Schwarz. 2006. *Nonprofit Organizations: Cases and Materials*, Third Edition. New York: Foundation Press.
- Fremont-Smith, Marion R. 2008. "Attorney General Oversight of Charities." Work in progress. Paper presented at Columbia University Charities Law Conference, March 28-29, 2008.
- Fremont-Smith, Marion R. 2004. *Governing Nonprofit Organizations: Federal and State Law and Regulation*. Cambridge, MA: The Belknap Press of Harvard University Press.
- Jenkins, Garry W. 2007. Incorporation Choice, Uniformity, and the Reform of Nonprofit State Law Symposium: State-Level Legal Reform of the Law of Nonprofit Organizations. *Georgia Law Review*, Issue 4, Summer 2007.
- Nonprofit Quarterly. 2005. "Attorneys General and Nonprofits." *Nonprofit Quarterly*, Regulatory Landscape. Special Issue.
- Ross, Lynne (Ed.). 1990. *State Attorneys General: Powers and Responsibilities*. Washington, D.C.: BNA Books.
- Swords, Peter and Harriet Bograd. 1997. *Accountability in the Nonprofit Sector: Report and Recommendations*. Nonprofit Coordinating Committee of New York, Inc.
- Van Alstyne, Scott and Larry J. Roberts. 1974. The Powers of the Attorney General in Wisconsin. *Wis. L. Rev.* 1974: 721-750.

APPENDIX A. COMPARISON OF WIS. STAT. CHAPTER 181 WITH REVISED MODEL NONPROFIT CORPORATION ACT (1988)	
Chapter 181	RMNCA (1988)
<i>Not included (would have been 181.0170).</i>	CHAPTER 1. GENERAL PROVISIONS Subchapter G, Attorney General Section 1.70: <u>Attorney General</u> (a) The <u>attorney general</u> shall be given notice of the commencement of any proceeding that this Act authorizes the <u>attorney general</u> to bring but that has been commenced by another person. (b) Whenever any provision of this Act requires that notice be given to the <u>attorney general</u> before or after commencing a proceeding or permits the <u>attorney general</u> to commence a proceeding: 1) If no proceeding has been commenced, the <u>attorney general</u> may take appropriate action including, but not limited to, seeking injunctive relief. 2) If a proceeding has been commenced by a person other than the <u>attorney general</u> , the <u>attorney general</u> , as of right, may intervene in such proceeding.
SUBCHAPTER III. PURPOSES AND POWERS 181.0304 Effect of unauthorized corporate acts No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, except that lack of capacity or power may be asserted in all of the following cases: 1) Proceedings by members or directors. [. . .] 2) Proceedings by the corporation. [. . .] 3) Proceedings by the <u>attorney general</u> . A proceeding by the <u>attorney general</u> , as provided in this chapter, to dissolve the corporation, or a proceeding by the <u>attorney general</u> to enjoin the corporation from performing unauthorized acts.	CHAPTER 3. PURPOSES AND POWERS Section 3.04, Ultra Vires (a) Except as provided in subsection (b), the validity of corporation action may not be challenged on the ground that the corporation lacks or lacked power to act. (b) A corporation's power to act may be challenged in a proceeding against the corporation to enjoin an act where a third party has not acquired rights. The proceeding may be brought by the <u>attorney general</u> , a director, or by a member or members in a derivative proceeding. A corporation's power to act may be challenged in a proceeding against an incumbent or former director, officer, employee or agent of the corporation. The proceeding may be brought by a director, the corporation, directly, derivatively, or through a receiver, a trustee or other legal representation, or in the case of a public benefit corporation, by the <u>attorney general</u> .
SUBCHAPTER VII. MEMBER MEETINGS AND VOTING Section 181.0740-181.0747 <i>No notification to attorney general mentioned.</i>	Chapter 6, Members and Membership Subchapter D, Derivative Suits Section 6.30, Derivative Suits . . . (f) The complainants shall notify the <u>attorney general</u> within ten days after commencing any proceeding under this section if the proceeding involves a public benefit corporation or assets held in charitable trust by a mutual benefit corporation.

APPENDIX A. COMPARISON OF WIS. STAT. CHAPTER 181 WITH REVISED MODEL NONPROFIT CORPORATION ACT (1988) (continued)	
Chapter 181	RMNCA (1988)
<p>SUBCHAPTER VII. DIRECTORS AND OFFICERS 181.0810 Removal of directors by judicial proceeding. (1) Grounds for removal. The circuit court for the county where a corporation's principal office is located may remove a director of the corporation from office in a proceeding commenced either by the corporation or by its members holding at least 10% of the voting power of any class, if the court finds all of the following:</p> <p>(a) That the director engaged in fraudulent or dishonest conduct, or gross abuse of authority or a final judgment has been entered finding that the director has violated a fiduciary duty or a duty under ss. 181.0831 to 181.0833.</p> <p>(b) That removal is in the best interest of the corporation.</p> <p>(2) Bar from serving. A court that removes a director may bar the director from serving on the board for a period prescribed by the court.</p> <p>(3) Corporation as defendant. If members commence a proceeding under sub. (1), the corporation shall be made a party defendant.</p> <p><i>(Omits section (d), reference to attorney general.)</i></p>	<p>CHAPTER 8. DIRECTORS AND OFFICERS Section 8.10, Removal of Directors by Judicial Proceeding (a) The [name or describe] court of the county where a corporation's principal office is located may remove any director of the corporation from office in a proceeding commenced either by the corporation, its members holding at least 10 percent of the voting power of any class, or the <u>attorney general</u> in the case of a public benefit corporation, if the court finds that (1) the director engaged in fraudulent or dishonest conduct, or gross abuse of authority or discretion, with respect to the corporation, [if section 8.13 is adopted, that the provisions of section 8.13 have been violated,] or a final judgment has been entered finding that the director has violated a duty set forth in sections 8.30-8.33, and (2) removal is in the best interest of the corporation.</p> <p>(b) The court that removes a director may bar the director from serving on the board for a period prescribed by the court.</p> <p>(c) If members or the <u>attorney general</u> commence a proceeding under subsection (a), the corporation shall be made a party defendant.</p> <p>(d) If a public benefit corporation or its members commence a proceeding under subsection (a), they shall give the <u>attorney general</u> written notice of the proceeding.</p> <p>The articles or bylaws of a religious corporation may limit or prohibit the application of this section.</p>

APPENDIX A. COMPARISON OF WIS. STAT. CHAPTER 181 WITH REVISED MODEL NONPROFIT CORPORATION ACT (1988) (continued)	
Chapter 181	RMNCA (1988)
<p>CHAPTER XI, MERGER; CONVERSION Sec. 181.1100, Definitions Sec. 181.1101, Approval of plan of merger <i>No Sec. 181.1102</i> Sec. 181.1103, Action on plan by board, members and 3rd persons Etc. Sec. 181.1161 Conversion <i>(added in 2001, modified in 2006)</i></p>	<p>CHAPTER 11. MERGER Section 11.02, Limitations on Mergers by Public Benefit or Religious Corporations (a) Without the prior approval of [insert name of appropriate court] in a proceeding which the <u>attorney general</u> has been given written notice, a public benefit or religious corporation may merge only with: 2) A public benefit or religious corporation; 3) A foreign corporation that would qualify under this Act as a public benefit or religious corporation; 4) A wholly-owned foreign or domestic business or mutual benefit corporation, provided the public benefit or religious corporation is the surviving corporation and continues to be a public benefit or religious corporation after the merger; or 5) A business or mutual benefit corporation, provided that: (i) on or prior to the effective date of the merger, assets with a value equal to the greater of the fair market value of the net tangible and intangible assets (including goodwill) of the public benefit corporation or the fair market value of the public benefit corporation if it were to be operated as a business concern are transferred or conveyed to one or more persons who would have received its assets . . . had it dissolved; (ii) it shall return, transfer or convey any assets held by it upon condition requiring return, transfer or conveyance, which condition occurs by reason of the merger, in accordance with such condition; and (iii) the merger is approved by a majority of directors of the public benefit or religious corporation who are not and will not become members or shareholders in or officers, employees, agents or consultants of the surviving corporation. (b) At least 20 days before consummation of any merger of a public benefit corporation or a religious corporation pursuant to (a)(4), notice, including a copy of the proposed plan of merger, must be delivered to the attorney general. Without the prior written consent of the <u>attorney general</u> or of [insert name of appropriate court] in a proceeding in which the attorney general has been given notice, no member of a public benefit or religious corporation may receive or keep anything as a result of a merger other than a membership or membership in the surviving public benefit or religious corporation. The court shall approve the transaction if it is in the public interest.</p>
<p>SUBCHAPTER XII. SALE OF ASSETS 181.1202 Sale of assets other than in regular course of activities. <i>No mention of notification to attorney general.</i></p>	<p>CHAPTER 12. SALE OF ASSETS Section 12.02, Sale of Assets Other than in Regular Course of Activities (b) a corporation may sell, lease, exchange, or otherwise dispose of all, or substantially all, of its property (with or without the goodwill) other than in the usual and regular course of its activities on the terms and conditions and for the consideration determined by the corporation's board if the proposed transaction is authorized by subsection (b). (c) Unless this Act, the articles, bylaws, or the board of directors or members (acting pursuant to subsection (d)), require a greater vote or voting by class, the proposed transaction to be authorized must be approved 1) By the board; 2) By the members by two-thirds of the votes cast or a majority of the voting power, whichever is less; and 3) In writing by any person or persons whose approval is required [. . .] (g) A public benefit or religious corporation must give written notice to the <u>attorney general</u> twenty days before it sells, leases, exchanges, or otherwise disposes of all, or substantially all, of its property if the transaction is not in the usual and regular course of its activities unless the <u>attorney general</u> has given the corporation a written waiver of this subsection. [. . .]</p>

